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Interim report of the  
Ontario School Board  
Reduction Task Force.



# Ontario School Board Reduction Task Force

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## Message from the Chair

On February 22, 1995, the government of Ontario established the Ontario School Board Reduction Task Force to advise the Minister of Education and Training on how best to reduce the number of school boards and trustees in Ontario. This is our Interim Report. We are to make our final report and recommendations to the Minister by December 31, 1995.

School boards are the oldest form of publicly elected government in Ontario. Today there are 168 school boards in Ontario, including four French-language boards and another 74 French-language sections and advisory committees that also act as education governance structures.

The amount of government funding available for education today is severely constrained, and there is little hope for increased funding in the future. At the same time, there is great public demand to improve the quality of education. The limited resources that are available must be focused on the classroom. We must reduce duplication of services and use scarce resources more efficiently.

To speak plainly, the level of education programs and services we have been enjoying cannot be maintained under our present governance and funding systems. If we don't change both these systems, our ability to educate our children will be threatened.

We have been asked to make recommendations to the Minister on:

- new school board boundaries that will reduce the number of boards by 40 to 50 per cent
- a reduction in the number of trustees that make up each board
- self-governance for French-language education (the creation of French-language school boards)
- the implications of our proposals

The centre portion of this report comprises maps that show the new school board boundaries we are proposing.

In accomplishing our task, we were required to respect the rights of Roman Catholics and franco-Ontarians, guaranteed in the Canadian Constitution and the Charter of Rights, to govern their own education – that is, to administer their own school boards. We did not join public school boards with Roman Catholic separate boards; nor did we join English-language boards with French-language boards.

The reforms we have been asked to make are part of a series of interrelated education reform initiatives undertaken by the former government (see next page). The new government has indicated that it wishes to pursue these initiatives, although some details may change.

A 40 to 50 per cent reduction in the number of school boards is a drastic change. To ensure that students do not suffer from these changes and that taxpayers are treated fairly, we believe – and we will be recommending to the Minister – that the other reforms, especially education finance reform, must occur simultaneously with the reform of education governance.

My colleagues on the task force are Duncan Green of Toronto, Jean-Louis Bourdeau of North Bay, and Dorothy Wight, who lives on a sheep farm near Belle Vallée, in the District of Timiskaming. I am from Kitchener.

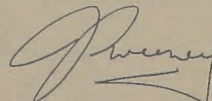
Together we represent a wide spectrum of the Ontario populace. We reflect the views of French- and English-speaking Ontarians, supporters of public and Roman Catholic school systems. We also have considerable experience with, and insight into, the governance of education in this province. Two of us have been directors of education, one a trustee, and one a school business official. In addition, Dorothy and Jean-Louis have been directors of school board associations, Duncan was an assistant deputy minister in the Ministry of Education, and I have been an MPP and cabinet minister.

Our task is formidable, and we would like your help. To date, we have consulted with education stakeholders from a variety of organizations, including

school boards, as well as government officials and the office of the Attorney General. We have also consulted many people in both the public and private sectors, in Canada and elsewhere, who have been involved in restructuring exercises. In addition, we have received and considered over 300 submissions on this issue.

Our original mandate required us to hold public hearings around the province on the recommendations in this Interim Report. Because of the state of the Province's finances, however, the new Minister of Education and Training has decided that the significant cost involved in holding public hearings cannot be justified.

But we still want your help. Please take the time to read this Interim Report and consider our recommendations and the issues they raise. At the bottom of this page is a box that tells you how to contact us. We look forward to receiving your comments.



John Sweeney  
Chair, Ontario School Board Reduction Task Force

## Amalgamation of School Boards: Benefits for Students

### A Wider Range of Educational Opportunities

By amalgamating school boards, we will be amalgamating existing strengths – and every school board in Ontario, whatever its size, has strengths. Amalgamation will expose more students to more of these strengths, thus providing them with a wider range of educational opportunities.

### More Parental Involvement in Education

Research shows that students' performance improves when their parents are involved in their education. With amalgamation there will be fewer trustees and administrators. As a result, there will be room – and need – for greater parental involvement in the daily operations and activities of schools. In a related initiative, the government is requiring schools to set up school councils made up of parents, community representatives, and school staff (see next page).

### More Education Dollars Directed to the Classroom

By reducing the number of school boards and requiring them to share their services with other boards and with local service agencies (see next page), the government will be enabling boards to reduce administrative costs.

Money formerly spent on administration will be available for students in the classroom.

### Access to a Wider Range of Resources

Amalgamation will benefit students who are now in small school boards that cannot take advantage of economies of scale. Being joined with other boards will permit small boards to offer their students some resources and programs they cannot now afford.

Amalgamation will also result in a more equitable sharing of financial resources. Under the present system of funding education in Ontario, a school board's ability to offer its students a high quality of education is influenced by the wealth of its property tax or assessment base. By amalgamating some assessment-poor boards with neighbouring assessment-rich boards, we will be distributing wealth more fairly.

But amalgamation alone cannot achieve financial equity throughout the province. Reform of the education finance system must occur at the same time, so that all students, regardless of where they live and whether they attend public or Roman Catholic, English- or French-language schools, will share equally in the financial resources of the province.

### Greater Opportunity for French-Language Students to Reach Their Potential

Amalgamation together with education finance reform will offer French-speaking students a better opportunity to reach their full potential. By amalgamating 78 French-language boards, sections, and advisory committees into 15 French-language boards, we will be providing franco-Ontarians with their own education governance structures. By ensuring financial equity between French-language and English-language boards, education finance reform will give franco-Ontarians the other tool they need to exercise their Charter rights.

## Other Benefits

### A More Efficient School Board System

By reducing the number of school boards, trustees, and administrators, we are reducing the cost of governing and administering education in Ontario. The savings can be redirected to the classroom.

### A More Financially Sustainable Education System

By reducing the cost of governing and administering education and by reforming the way education is funded, we will be able to sustain our education system with our existing financial resources.

### Greater Accountability of Trustees and Board Administrators

With amalgamation and other reforms proposed by the government, trustees and senior board administrators will be able to focus on long-term plans and policy, on the development and implementation of a vision of education for their communities. Under proposed legislation (see next page), they will be required to find savings in their boards' operations and report these savings to the public. And, of course, trustees will continue to

be accountable to the electorate for their performance in these areas.

### A More Streamlined System of French-Language Education

The new French-language boards will reduce the present number of French-language trustees by approximately 50 per cent and will make more effective use of the specialized employees involved in French-language education.

## How to Contact Us

1. Write to us at:  
Ontario School Board Reduction Task Force  
101 Bloor Street West, 13th Floor  
Toronto, Ontario M5S 1P7
2. Fax your response to us at:  
(416) 325-2976
3. Call our telephone response hotlines:  
1-800-562-6954 (toll-free in Ontario)  
(416) 314-8674 (in Toronto)



Context

Economic Reality in Ontario

**No new money:** For the past three years the Province has been unable to give school boards additional funding.

**The deficit:** The government is committed to eliminating the provincial deficit, making it very unlikely that new money will be available for several years.

**The tax revolt:** Over the last few years, taxpayers have made it clear that they cannot bear and will not tolerate tax increases. The government is committed to reducing the tax burden on Ontario citizens.

**Decreased contributions from the federal government:** Federal transfer payments to the provinces have decreased and are expected to decrease further.

**Conclusion:** To maintain and improve the quality of education, we must find a new, more cost-effective way of doing business, involving less duplication of services and more sharing of resources.

Beyond Ontario: the National and International Climate

**We're not alone:** Social and economic pressures similar to those experienced in Ontario are evident in many other jurisdictions – municipalities, other provinces, Canada, and other countries.

**Education reform is widespread:** Reform of the education system is taking place in other jurisdictions too, as one of many interrelated measures being used to respond to social and economic pressures. As part of our studies, we looked at education reform initiatives in Alberta, New Brunswick, Nova Scotia, Newfoundland, Michigan, Chicago, Great Britain, and New Zealand.

**Restructuring is widespread:** Many institutions and organizations, in both the public and private sectors, are using restructuring as a tool to implement effective change. We visited and spoke with people who have been involved in restructuring exercises in hospitals and universities, in municipal, provincial, and federal governments, and at IBM Canada. In the new structures, policy-making tends to remain a "head office" responsibility, but management is local and "site-based." The people we spoke to found that restructuring, while sometimes difficult for all concerned, improved performance.

**Conclusion:** If the Ontario education system is to continue to provide students with a high quality of education that enables them to participate and compete in a global society, it too must restructure.

Administrative Costs

The government is also committed to limiting the part of a school board's budget allocated to administration so that more resources can be directed to the classroom – that is, to the instructional program.

Task Force Timelines

Sept – Oct 1995	Receive and consider public response to Interim Report
Nov – Dec 1995	Review recommendations in light of public consultation Prepare final report to the Minister, to be presented by December 31
Jan 1996 – 1997	Oversee the transition to the new school board boundaries
Nov 1997	Municipal elections, including the election of trustees to the new school boards according to the new formula for trustee representation
Jan 1998	Full implementation of the new school board boundaries Task force disbands

Public Dissatisfaction

**Too much bureaucracy:** Ontario taxpayers and voters, in letters to the government, letters to the editors of newspapers, and at public meetings during municipal and provincial election campaigns, have voiced the opinion that the education bureaucracy is unnecessarily heavy and too costly.

**Too little co-operation:** Some boards have initiated successful co-operative ventures to reduce costs and share resources, but for a variety of reasons many others have been reluctant to co-operate.

**Lack of accountability:** In spite of the electoral choices available in a democracy such as Ontario's, people feel that school boards are not accountable for their actions.

Other Education Reforms

The following reform initiatives are being pursued by the government. If implemented, many of them would relieve school boards of some of their present responsibilities. They would therefore complement and assist the reform of governance that we have been asked to undertake. The first reform described below, however – education finance reform – is essential to, and must take place simultaneously with, reform of governance.

Education Finance Reform

Many groups have called for reform of the way Ontario funds education, notably the Fair Tax Commission in December 1993 and the Royal Commission on Learning in December 1994.

At present, a school board's ability to offer its students a high quality of education is influenced by the wealth of its property tax or assessment base, particularly its commercial-industrial assessment base. Because the assessment wealth of Ontario communities varies widely, the ability of Ontario school boards to raise funds from local property taxes also varies widely.

The Ministry of Education and Training attempts to address this fundamental inequity by using grants to "equalize" the funding available to school boards, but it is only able to do so up to a specific amount or grant "ceiling," which many boards regard as inadequate.

Boards that have wealthy assessment bases can spend above the provincial ceilings. If a board has a high proportion of commercial-industrial assessment (that is, more businesses paying property tax than homeowners), it can raise significant amounts of money by making only a small increase in the local mill rate. If

The instructional program encompasses "teaching" – that is, providing students with the means to learn; developing curriculum and acquiring the materials needed to teach curriculum; and meeting the educational needs of certain identified students (those with learning disabilities, behavioural problems, and physical and/or mental disabilities).

We intend to develop a precise definition of administrative costs during the implementation process, but in general they include the board's central office staff; a portion of the time of the board's principals, vice-principals, and department heads; general operating expenses; and "mandated" costs associated with statutory and regulatory requirements.

Mandated costs, for which boards are not reimbursed, are substantial. Past and present examples include the employer health tax, health and safety regulations (including staff training), fire codes, changing environmental regulations, employment equity, pay equity, and extensive public consultation associated with curriculum changes. In their submissions to us, school boards emphasized the difficulty of cutting administrative costs while at the same time meeting statutory and regulatory requirements. They also suggested that some of these requirements should not be applied to schools and boards. They want the government to reimburse them for the costs associated with these requirements or excuse them from observing and implementing them.

We recommend that, in limiting school boards' administrative budgets, the government acknowledge the burden of and accept responsibility for the costs it imposes on boards through statutory and regulatory requirements.

**Lack of value for money:** In spite of the good intentions of trustees and school board administrators (and we have found these people to be dedicated to providing a high quality of education and value for money), many parents and taxpayers believe that they are not receiving value for their education dollars.

**Conclusion:** Reform of education governance is necessary to ensure that administrative costs are reduced and co-operation improved, that there is less duplication of effort and more sharing of services, and that trustees and administrators are seen by parents and taxpayers to be accountable for the way they educate our children and spend our tax dollars.

another school board that does not have a high proportion of commercial-industrial assessment wants to spend the same amount of money per pupil as the wealthier board, it must make greater demands on its ratepayers. If the poorer board's ratepayers cannot afford mill rate increases, the poorer board will not be able to spend as much per pupil as the wealthier board.

The Royal Commission on Learning noted that "...there is still a gap of several thousand dollars between per pupil expenditures in boards like Ottawa and Toronto on the one hand, and the Roman Catholic separate school boards in Chapleau, Geraldton, and Kenora on the other." It recommended that the ministry develop a realistic basis for determining the cost per student of an adequate educational program, taking into account regional and social disparities.

The ministry has established a Working Group on Education Finance Reform. Its goals include: a more equitable distribution of available funds so that, no matter where students live in the province or what school they attend, they will receive equitable resources; and limitations on administrative costs so that more of a school board's resources can be focused on the classroom.

Limits on Trustee Compensation

Legislation will limit the compensation trustees receive to an all-inclusive maximum of \$20,000 a year.

A Requirement to Share Services

Legislation will require boards to save money by sharing services. Beginning in 1996, boards will be required to report annually to the Minister and the public on the extent of their savings and shared services.

School Councils

By the end of the 1995-96 school year, all schools will be required to have school councils. These influential advisory groups will be composed primarily of parents, but will include school principals, teacher and community representatives, and student representatives (optional at the elementary level).

Curriculum Development

School boards now develop curriculum for their schools based on guidelines from the Ministry of Education and Training. To provide boards with better direction and establish province-wide standards, the ministry will be taking over this function.

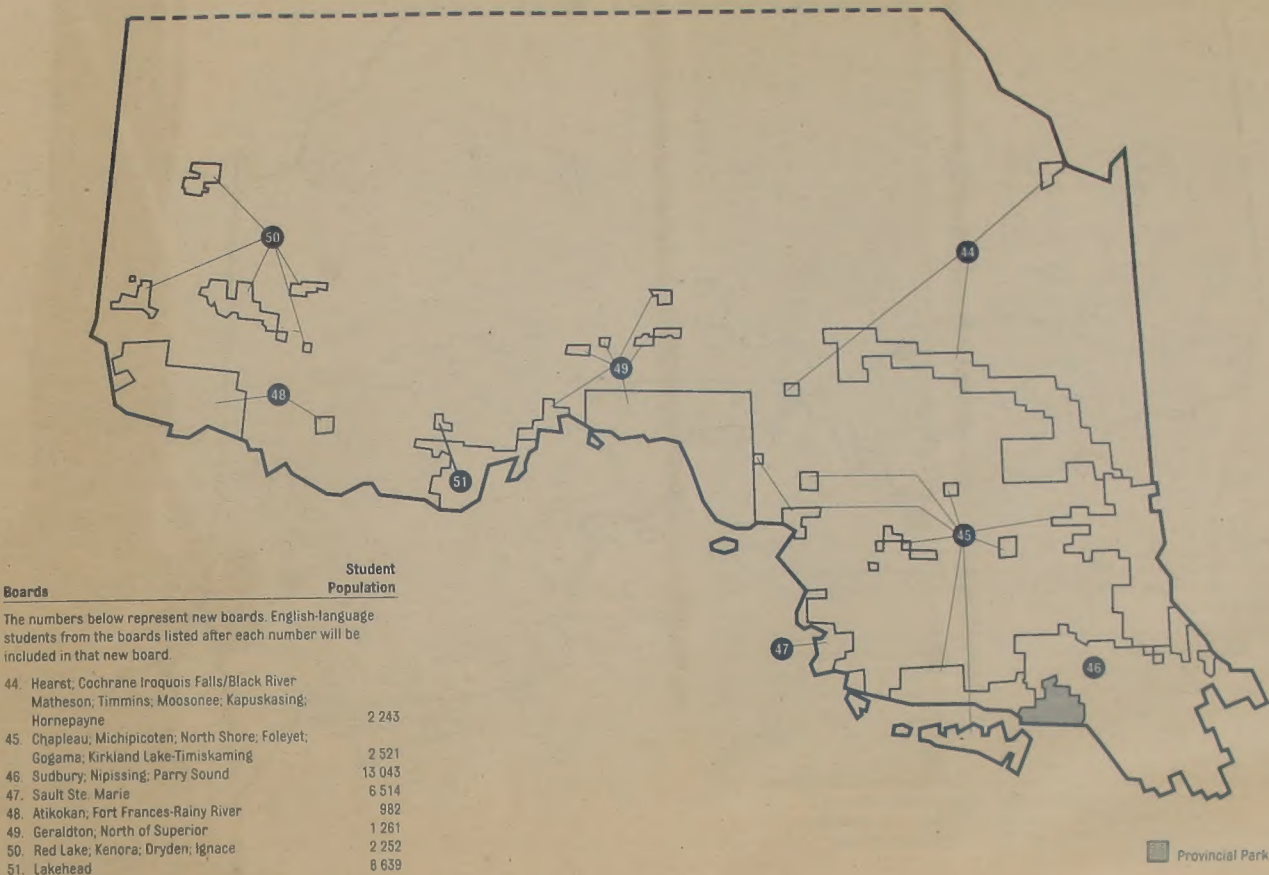
Testing and Reporting on Student Achievement

The Ministry of Education and Training has announced a new comprehensive testing program. It will also establish an independent agency, the Education Quality and Accountability Office, to implement the testing program, report on the quality of education in Ontario, recommend improvements, and promote best practices.

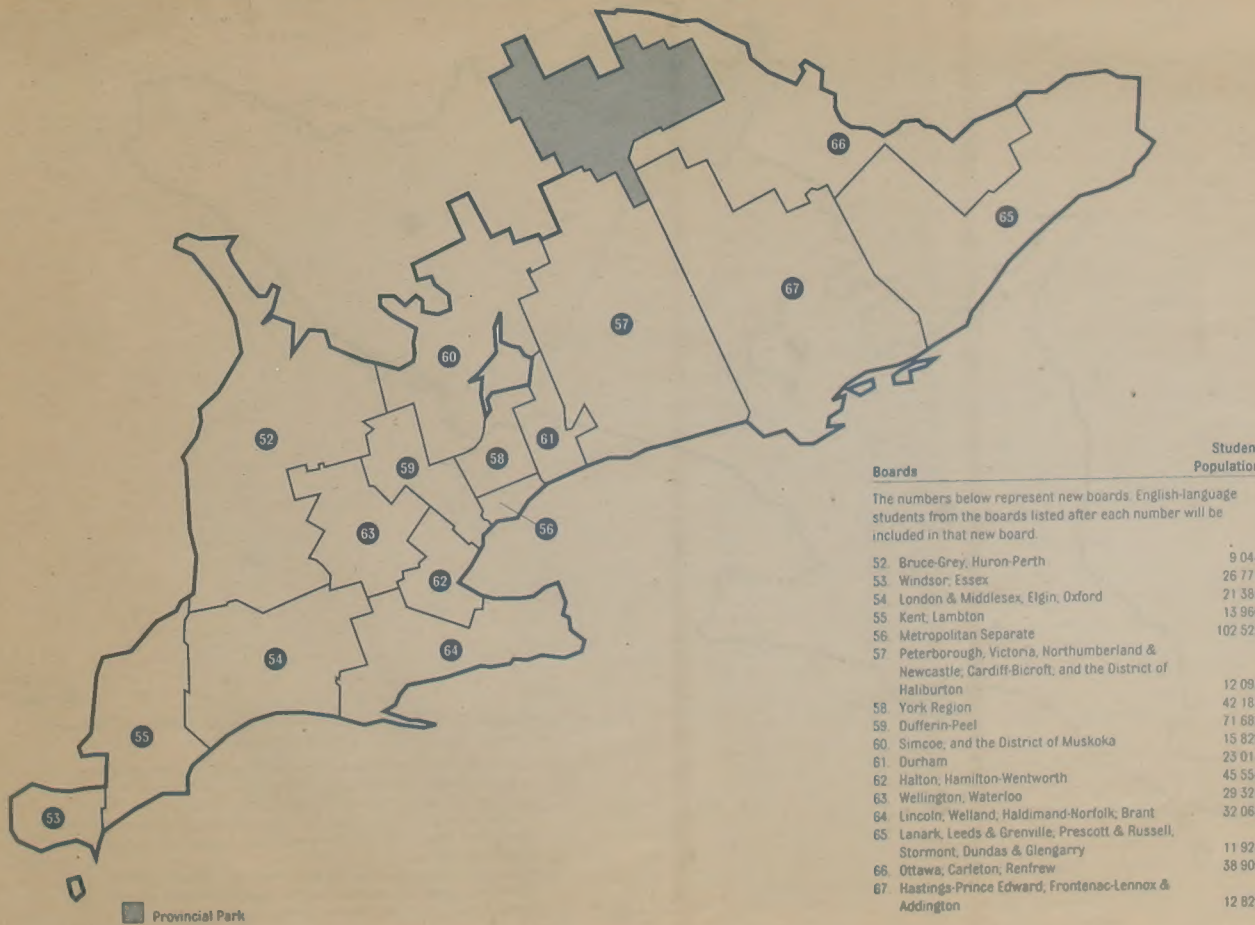
Teacher Education

The Ministry of Education and Training is establishing a College of Teachers, a professional organization that will regulate the teaching profession in much the same way as the Law Society of Upper Canada regulates the legal profession. In addition, the ministry intends to increase the number of years of teacher education and the amount of supervised in-classroom training teachers receive before they become certified to teach.

Northern Ontario English-Language Roman Catholic Separate School Boards

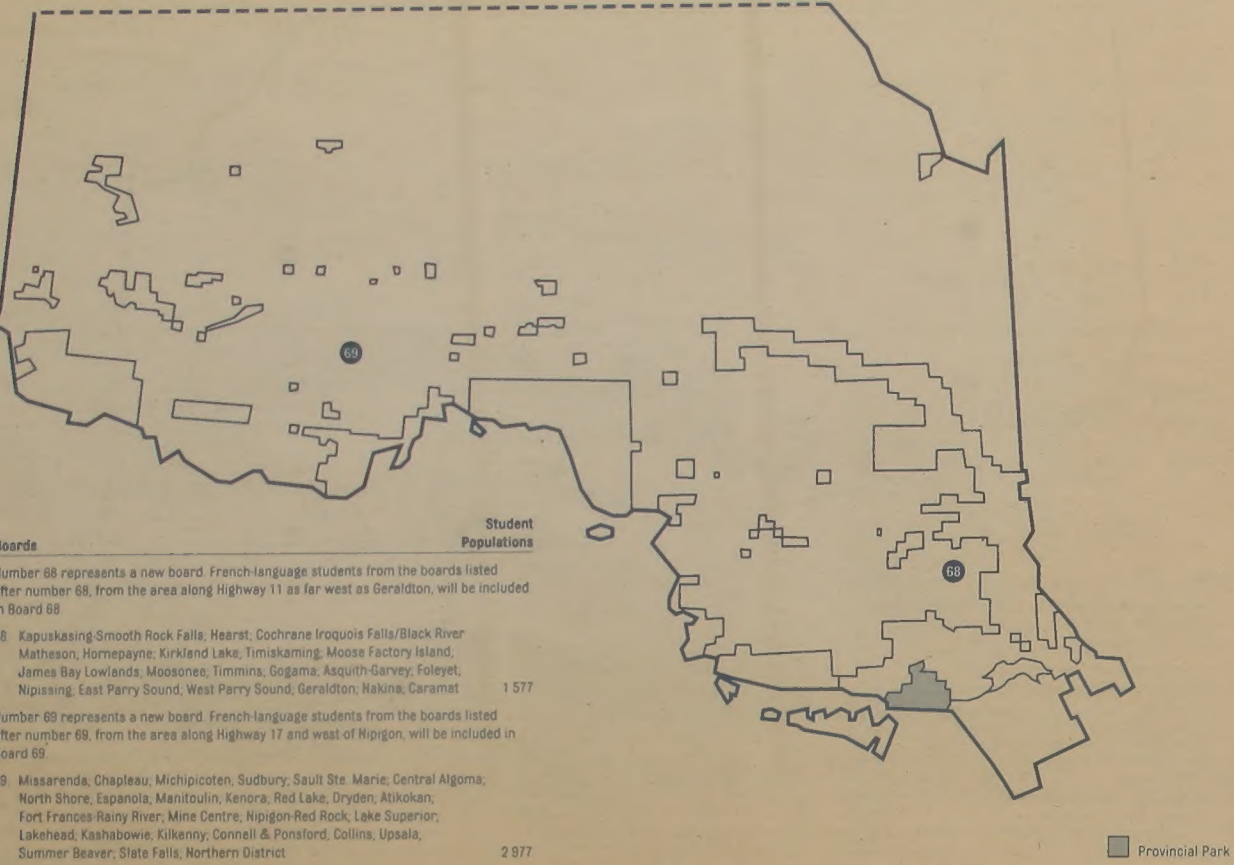


Southern Ontario English-Language Roman Catholic Separate School Boards

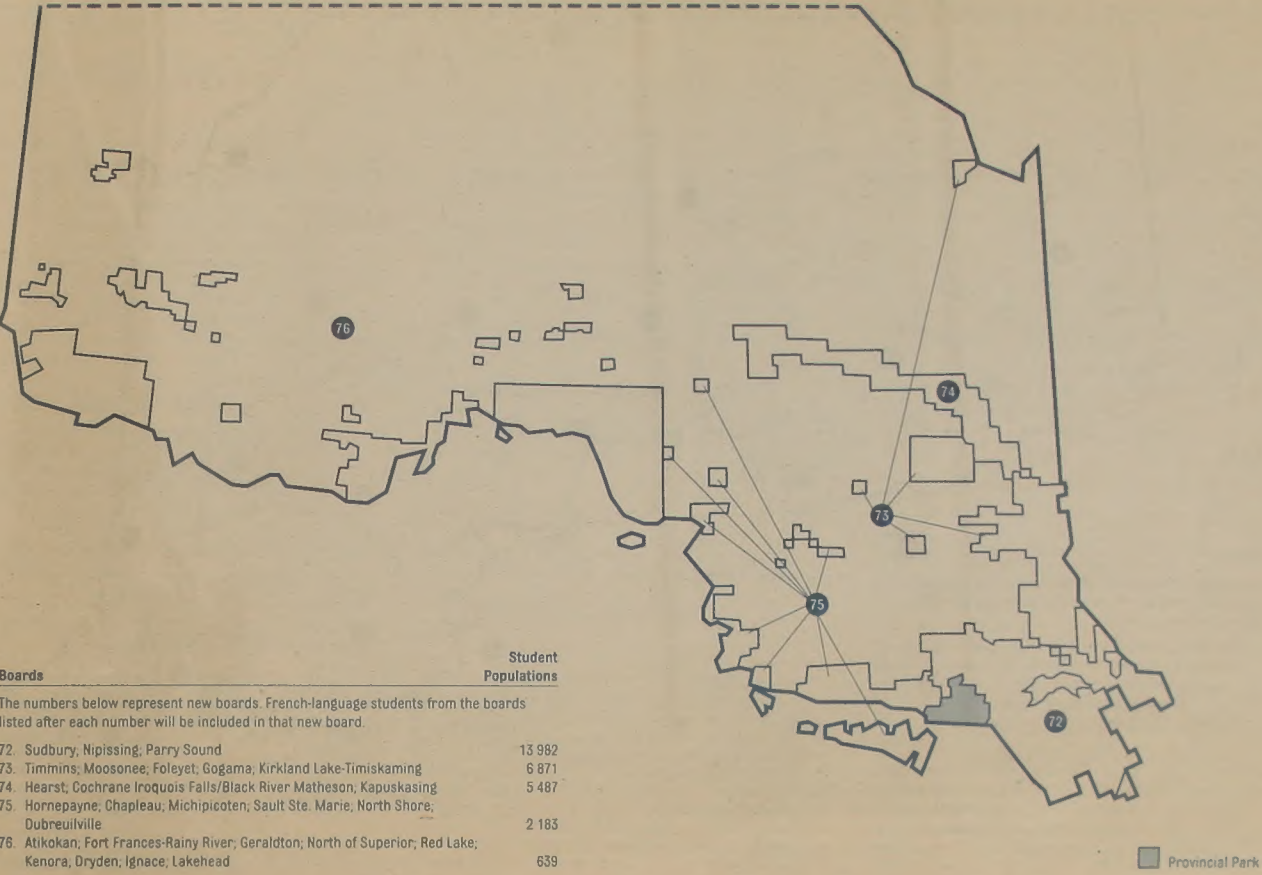




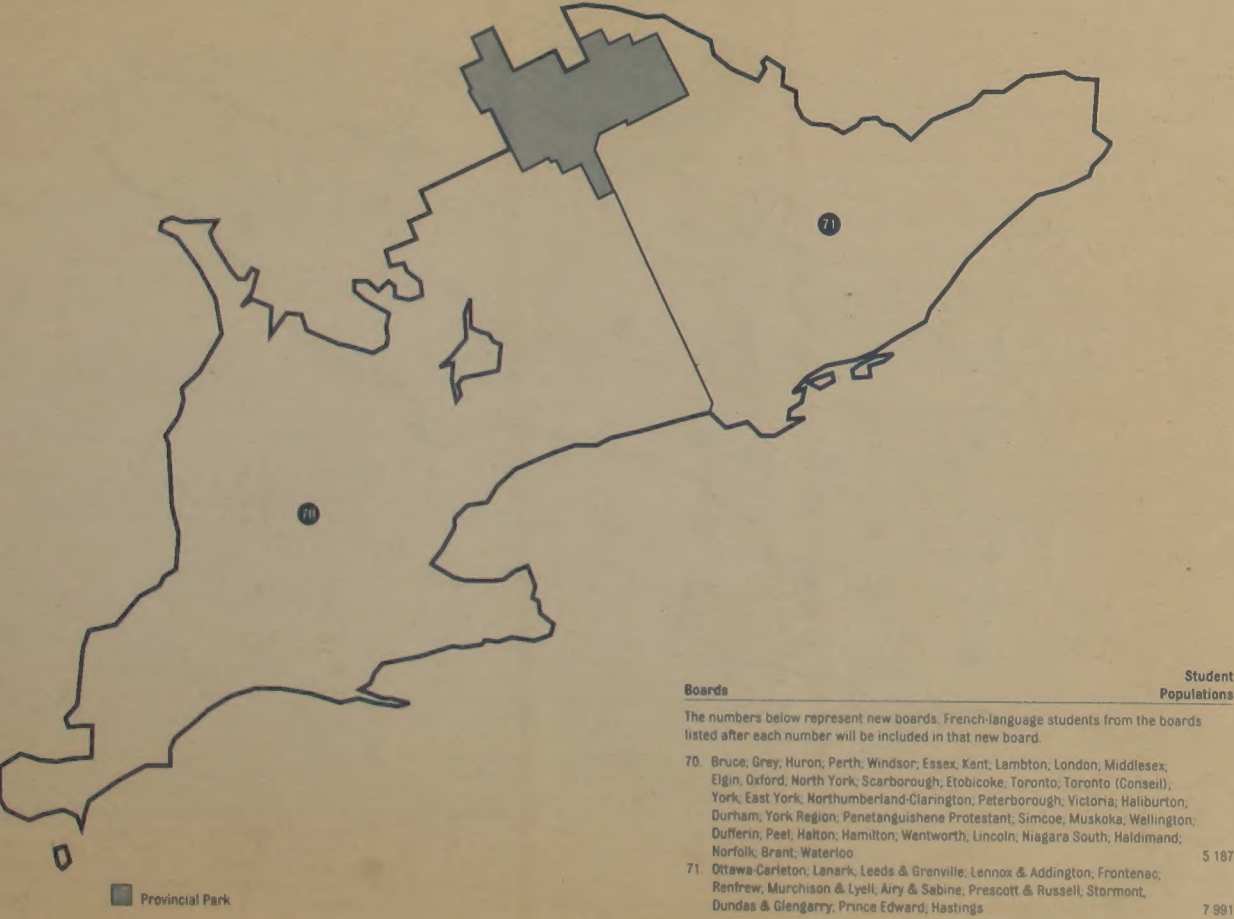
Northern Ontario French-Language Public School Boards



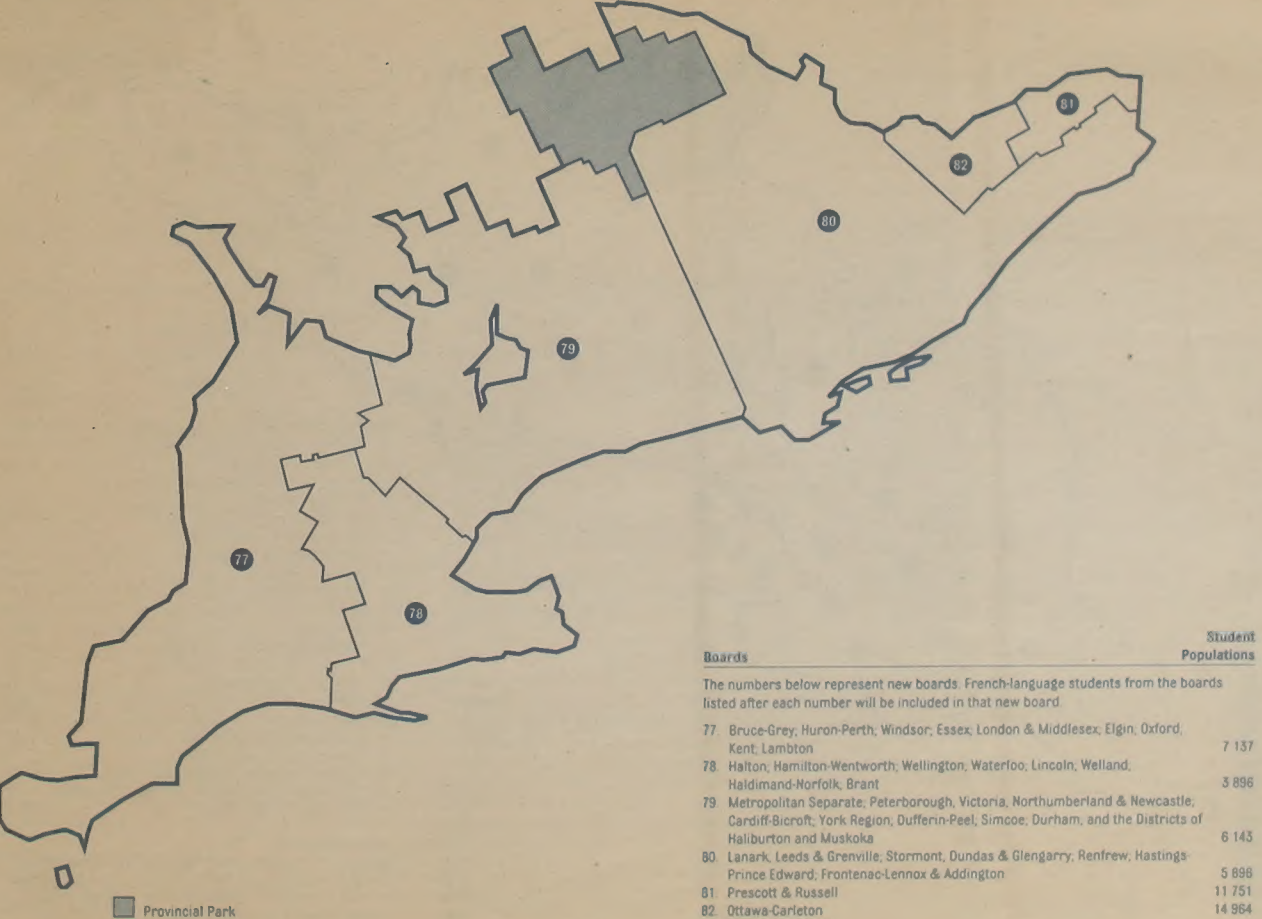
Northern Ontario French-Language Roman Catholic Separate School Boards



Southern Ontario French-Language Public School Boards

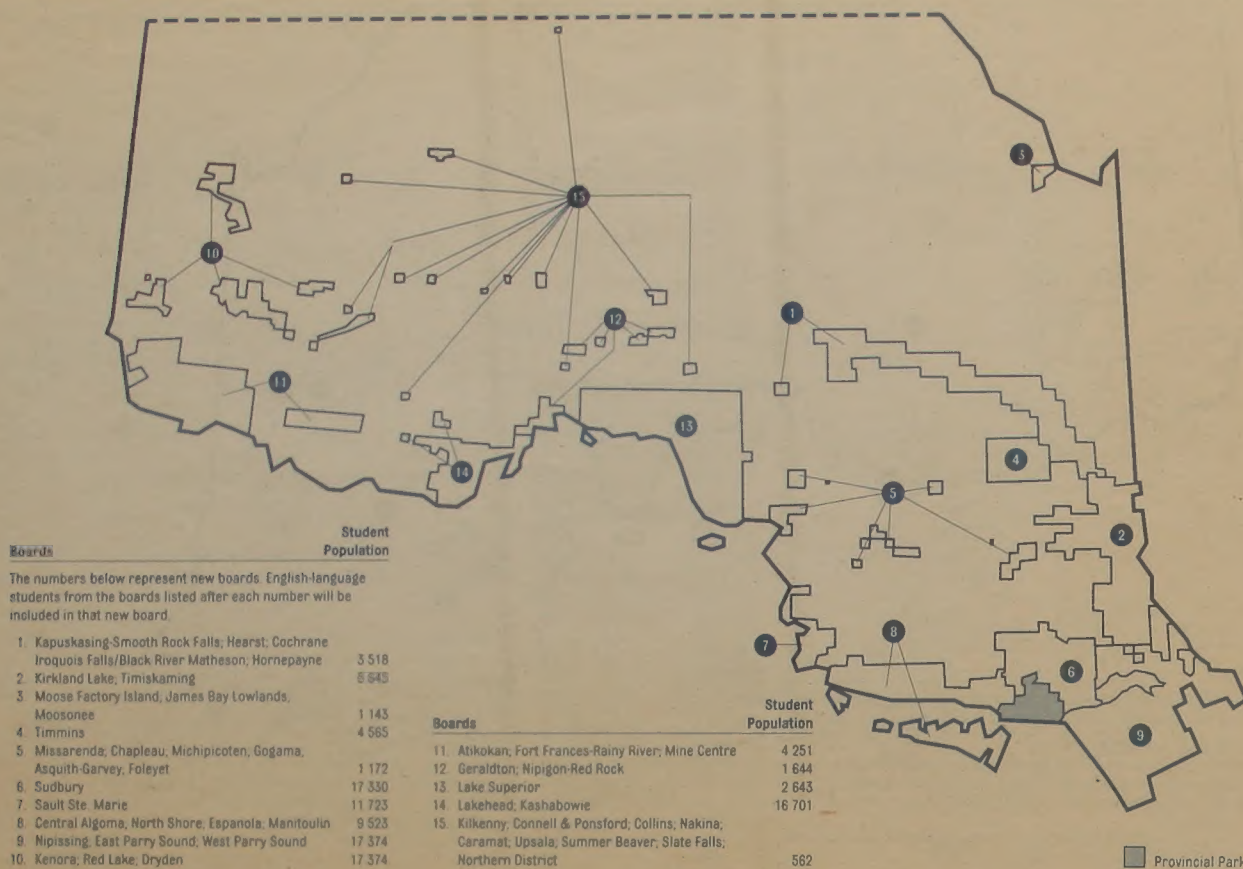


Southern Ontario French-Language Roman Catholic Separate School Boards

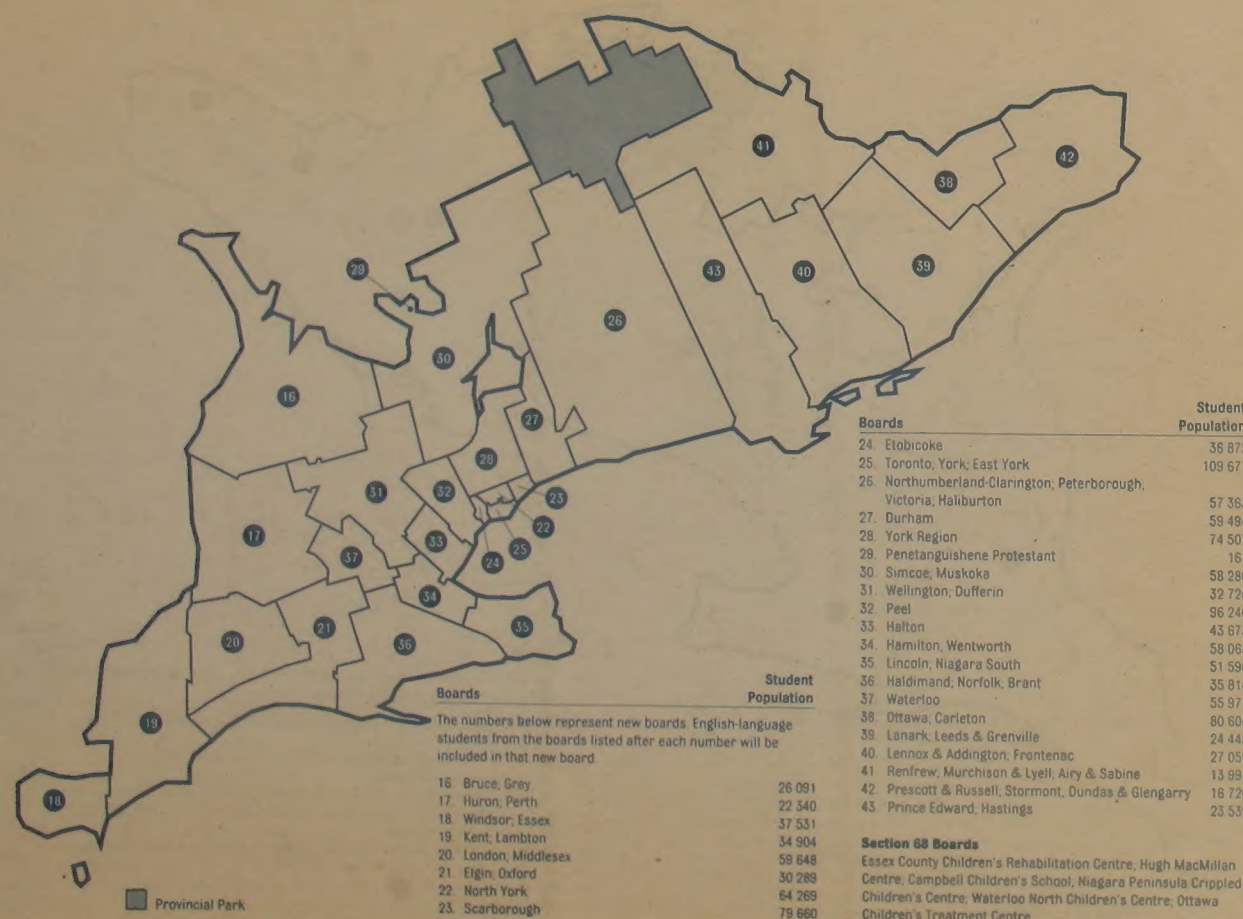




## Northern Ontario English-Language Public School Boards



## Southern Ontario English-Language Public School Boards



## Criteria for the Creation of New Boundaries

### Respect for Constitutional Rights

Our overriding criterion was respect for constitutional rights. The Canadian Constitution and the Charter of Rights guarantee Roman Catholics and franco-Ontarians the right to govern their own education — that is, to administer their own school boards. In our recommendations, therefore, public school boards have been joined only with other public school boards; Roman Catholic separate school boards only with other Roman Catholic separate school boards; and French-language public and separate school boards only with their counterparts.

### Co-terminality and Contiguity

"Co-terminality" exists where two or more boards share a common set of geographical borders. For example, a common border may contain one Roman Catholic separate school board, two public school boards, two or three French-language separate school boards, and one French-language public school board. We attempted to preserve existing co-terminality wherever possible.

"Contiguity" exists where two boards are neighbours. We applied the contiguity criterion more than any other. Boards that now exist side by side are likely to understand one another better and may already share some services.

### Size of Student Population

Research about the best size for a school board is sparse and inconclusive. So many factors must be taken into account that a simple conclusion cannot be drawn. Some people fear that by their very nature large boards will be inefficient, but we found that size alone does not determine efficiency.

In amalgamating boards, we followed a general rule that the smallest board should not have fewer than 5,000 students and the largest not more than 55,000 students. Occasionally, however, the geography of the province and the distribution of the population required exceptions. Some newly created boards have fewer than 5,000 students. A number of existing boards already have student populations over 60,000, and we made no attempt to reduce them.

### Reasonable Distance

We tried to ensure that there was a reasonable distance between a board and the communities whose schools it administers, but this was not always possible, especially in the north. We took into account that technology can reduce some of the problems associated with distance, but it cannot resolve them all.

See our recommendations on "boards that cover a large geographic area" under the sections Changes to Trustee Representation and Roles and Responsibilities.

### Existing Traffic Patterns

The flow of traffic is a logical organizing principle. Existing highway connections and shopping patterns influenced some of our decisions.

### Natural Barriers

In setting new boundaries, we also considered the existence of major transportation corridors, waterways, and other geographic features.

### Similar Interests and Natural Affinities

Before our task force was established, some boards had already begun to discuss amalgamation. Several submissions to the task force were prepared jointly by boards that suggested they be amalgamated. Such suggestions greatly helped our decision-making process. We also tried to respect situations where boards are already working together successfully or pursuing co-operative ventures.

### Joint Ventures with Social Services

We considered how easy or difficult it would be for the new boards to co-ordinate their activities with other social services, such as those delivered to students, families, and schools by the Ministries of Health and Community and Social Services, the Children's Aid Society, and others.

### Deliberations of the GTA Task Force

Our terms of reference require us to consider the deliberations of the Greater Toronto Area (GTA) Task

Force "with respect to assessment and municipal boundaries." We have considered its deliberations to date and have kept them in mind in making our decisions. We will also consider its final report, expected in October, before making our final recommendations to the Minister in December.

### Impact Studies

We asked the Ministry of Education and Training to study the financial impacts of our proposals on boards, taxpayers, and students. Some of the problems that were revealed can only be resolved by education finance reform or by legislation. With education finance reform, negative impacts would be reduced considerably.

New school board boundaries respect existing municipal boundaries. If we had not respected these boundaries, we would have risked confusion in the establishment of local mill rates and the disruption of many existing agreements.

### Other Amalgamation Studies

We reviewed earlier amalgamation studies, especially those related to amalgamation in the Windsor-Essex and Ottawa-Carleton areas. These studies concluded

that the costs of amalgamation outweighed the benefits. They assumed, however, that the amalgamated boards would absorb the savings achieved through amalgamation into their operating costs, to help harmonize their collective agreements and mill rates. We recommend that the government prohibit boards from absorbing these savings into such costs. Savings should be redirected to the classroom.

The earlier studies also assumed that the way boards do business would continue. But the government has indicated its intention to require school boards by law to share services in order to save money, and to report their savings to taxpayers.

Finally, the earlier studies assumed that the present system of education finance would continue, whereas we have assumed that it will change.

In spite of their cost-benefit analyses, the Windsor-Essex and Ottawa-Carleton studies indicated that co-operation and sharing among the boards in those areas would produce significant savings. And they suggested that if the boards did not co-operate and share voluntarily, they should be amalgamated. To date, savings through voluntary co-operation among these boards appear to be minimal.

## Changes to Trustee Representation

Most new boards cover a much larger geographic area than existing boards. Because there will be fewer trustees, local representation must be fair and equitable. School councils and other proposed reforms, if implemented, will relieve trustees of some burdens, but trustees will continue to be responsible for bringing the concerns of their communities to the board. And they will continue to be accountable through the election process.

**Number of trustees:** We recommend that, with the exception of a few special cases outlined below, the new boards range in size from 5 to 13 members, as follows:

Student Population	Number of Trustees
Up to 10,000	5
Up to 35,000	7
Up to 60,000	9
Up to 80,000	11
80,000 or more	11 or 13 (optional)

**Boards that cover a large geographic area:** For a few geographically large boards (English-language

boards created from former "isolate" or remote boards in northern Ontario, and French-language boards in both northern and southern Ontario), exceptions to the above formula will be required.

We recommend that, for these boards, the number (not to exceed 11) and distribution of trustees be determined during the implementation period and be based on the distance between communities served by the board and the location of those communities, rather than the number of students attending the board's schools.

**Minority-language sections:** Under our proposals, boards will no longer have minority-language sections. In some communities, however, the number of secondary students or French-language students is too small to warrant building a school just to accommodate them. In these cases, boards may wish to form joint committees to ensure that minority-language students receive an education in their own language.

**Native tuition agreements:** Many First Nations bands have tuition agreements with school boards. The realignment of school board boundaries will require new tuition agreements, to confirm present arrangements or establish new ones.

We recommend that trustee representation for Native students as now defined in the *Education Act* be maintained, to guarantee Native people a strong and effective voice in the governance of their education.

## Roles and Responsibilities

Amalgamation will not change the roles and responsibilities of those involved in education governance, but it will require them to sharpen their focus and redirect their energy.

**School boards:** Under the proposed reforms, the primary focus of the board of trustees will be policy development. Trustees will be responsible for:

- articulating the vision or mission of the board in a way that reflects the values of the board's communities and enhances the learning experience of its students
- establishing a budget that provides schools with both the guidelines and flexibility to make their own decisions
- strategic planning to eliminate duplication and waste
- co-operating with other school boards, municipal and provincial health and social service agencies, and other local organizations to share resources and facilities
- establishing a level of remuneration for trustees commensurate with local conditions, but no more than \$20,000 per year total compensation
- allocating, maintaining, acquiring, and disposing of accommodation facilities
- by the spring of 1996, reporting annually to the public and the Minister of Education and Training on savings achieved by sharing and co-operating

**Boards that cover a large geographic area:** The geographically large boards described in the section on Changes to Trustee Representation would be difficult to administer from a central office. We recommend that these boards delegate a broad range of responsibilities to their individual schools, including the hiring of staff, the establishment of school budgets, and the maintenance and repair of buildings.

**Administrators:** Administrative staff of the board will be responsible for implementing board policy in an efficient and cost-effective way and for reporting on their implementation strategies and accomplishments.

**School principals:** Principals will operate schools on a daily basis, supervise school staff, and administer school budgets. They will also adapt provincially developed curriculum to local needs and maintain good community relations.

**School councils:** The new school councils, which are to be in place in all schools by June 1996, will advise principals and, when appropriate, boards on matters such as codes of student behaviour, curriculum priorities, school budget priorities, and community use of school facilities.

**The Ministry of Education and Training:** The ministry will play a greater role in the development of curriculum and the testing and monitoring of student achievement (through the Education Quality and Accountability Office, mentioned earlier). It will also set limits on the percentage of board budgets that can be spent on governance and administration.



# Issues and Options

Amalgamation offers many benefits; it also poses a few challenges. Some of the issues that emerge are extremely complex, but they all involve your tax dollars and many of them have a direct impact on the education of your children. Please spend some time considering them and provide us with your comments.

## Collective Agreements

Each school board has a contract or "collective agreement" with both its teaching and its non-teaching staff. Under present legislation, these collective agreements are negotiated by individual school boards, not by the provincial government. Amalgamation will require new negotiations to harmonize all the different collective agreements that existed before amalgamation.

### Options:

1. Renegotiate the collective agreements within the new board boundaries and limit the negotiable amount for each employee group to the total pool of money in all that group's existing contracts.
2. Change the legislation to require bargaining within defined regions and limit the negotiable amount for each employee group to the total pool of money in all that group's existing regional contracts.
3. Change the legislation to require province-wide bargaining.

Of particular concern is the cost – present and future – associated with the retirement gratuities for sick-leave credits that some boards have and others do not. These costs are so significant that we recommend one of the following actions be taken:

### Options:

1. Freeze and "grandfather" existing plans and prohibit their inclusion in future collective agreements.
2. Negotiate a contingency fund from within the existing pool of money to cover the liabilities.

## Surplus Staff

Amalgamation will result in a surplus of administrative staff, including supervisory officers.

Within the next three years, almost half the supervisory officers now employed by school boards will have attained the "90 factor" – a combination of age and years of service that total 90 – and therefore will be eligible for retirement with no loss of pension benefits.

We recommend that a three-year-only window of opportunity be made available to surplus supervisory officers. There are three options available within this recommendation.

### Options:

1. Deem those supervisory officers who are three or fewer years short of the 90 factor to have attained the 90 factor.
2. Permit those supervisory officers who wish to do so to return to other positions, such as principal, consultant, or teacher, with no loss of seniority.
3. Create a provincial pool of surplus supervisory officers from which all boards would be required to draw new supervisory officers.

We expect that similar arrangements will be made for other surplus staff not represented by a bargaining agent.

We remind school boards that they were directed by the Minister not to enter into new contracts or personnel agreements that extend beyond December 31, 1997.

## Property Tax

Amalgamation will result in a more equitable sharing, throughout the amalgamated area, of the education revenue from property taxes. This improved sharing of available funds means, inevitably, that taxes will increase for some people and decrease for others. With some exceptions, increases and decreases are moderate.

We recommend that increases and decreases of up to 20 per cent be phased in over five years, and that any increase over 20 per cent be phased in and subsidized by provincial grants for five years.

We further recommend that greater equity be introduced into the provincial "equalization" factors upon which local tax apportionment is based, and that these factors be updated regularly.

## Education Finance Reform

We described under Other Education Reforms how a school board's ability to offer its students a high quality of education is influenced by the wealth of its property tax or assessment base, particularly its commercial-industrial assessment base. We noted that the Royal Commission on Learning recommended that the Ministry of Education and Training develop a funding system that will create equity across the province and among all school boards – public, Roman Catholic, English, and French.

### Options:

#### 1. *Provincial Pooling of All Commercial and Industrial Assessment*

Residential ratepayers would continue to direct their property taxes to the school board of their choice. But the tax paid by commercial and industrial ratepayers would be forwarded by local municipalities to an independent provincial agency. The independent agency would put this money into a common fund or "pool" and redistribute it so that all boards would have an equal amount of expenditure per pupil.

This more equitable sharing of available funds would increase some school boards' revenues and decrease others. Therefore, if this option is chosen we recommend that all boards whose per-pupil expenditure level is below the provincial average have their negative difference reduced by 20 per cent a year for five years, and that all boards whose per-pupil expenditure level is above the provincial average have their positive difference reduced by 20 per cent a year for five years.

We further recommend that, during this five-year adjustment period, the Province not reduce the total amount of grant money it provides to school boards.

#### 2. *Elimination of the Education Component of Residential Property Tax*

The Fair Tax Commission recommended that no portion of residential property tax be used for education. The Province would make up the revenue boards would lose under this option through an increase in provincial personal income taxes and/or provincial sales taxes. It is likely that the Province would also eliminate the provincial property tax credit now available to low-income taxpayers.

Under this option, school boards would also lose their direct access to commercial-industrial property tax revenue. Instead, all commercial-industrial assessment in Ontario would be subject to one provincially determined mill rate for education purposes, and the revenue from it would be pooled and redistributed as discussed above.

#### 3. *The Alberta Model*

The Province of Alberta collects all local property taxes and redistributes the revenue.

#### 4. *The New Brunswick Model*

The Province of New Brunswick funds education from income and sales taxes.

## Assets and Liabilities of Existing School Boards

Some school boards have significant surpluses or reserves, while others have deficits or liabilities.

We recommend that the asset or liability remain with the existing board's ratepayers, so that where a board brings a surplus into amalgamation, that board's ratepayers will receive the benefit of the surplus, and where a board brings a deficit into amalgamation, that board's ratepayers will remain responsible for paying off the deficit.

## Interim Administrative Structures

### French-Language School Boards

New French-language boards are being created from what are now French-language sections and advisory committees of English-language boards. During the 1996-97 transition period, these new French-language boards will need interim administrative structures in order to negotiate the redistribution of assets with the English-language boards of which they are now sections or advisory committees.

We recommend that:

1. the ministry create an interim structure for each of the new French-language boards with the authority to make final, binding decisions on behalf of the new boards;
2. the composition of these administrative structures include one trustee, selected by his or her peers, from each French-language section or advisory

committee now within the geographical boundaries of the proposed new French-language board;

3. where the new French-language boards and the existing English-language boards of which they are now sections or advisory committees cannot reach agreement on the redistribution of assets, the ministry make available an independent facilitator or arbitrator to help them reach agreement;
4. education finance reform be implemented simultaneously with the transition to new boards, to assure the new French-language boards of sufficient financial resources to educate their students to a level comparable to that of their English-language counterparts.

## English-Language Minority Sections

We recommend that, during the transition period, a similar arrangement to the above be established for new English-language boards that are being created from what are now English-language minority sections of existing boards.

## All Other Amalgamations

We recommend that, during the transition period, a similar arrangement to the above be established for all boards being amalgamated.

## Special Circumstances

A number of special circumstances were brought to our attention during our initial review of governance.

### Section 68 Boards

"Section 68 boards" were created under section 68 of the *Education Act* to provide services for students who have special needs that cannot be met by their local school boards. Section 68 boards are funded in part by the Province and in part by the boards that send students to them.

Our preliminary review of these boards and our discussions to date with their representatives and others suggest that there is little benefit to be gained from altering their status. We therefore recommend that, pending further investigation, section 68 boards remain as is.

### Metropolitan Toronto School Board

The Metropolitan Toronto School Board is a co-ordinating body for the six public school boards in Metro Toronto, the only board of its type in the province. The circumstances responsible for its creation have changed, or will change with the introduction of the education reforms described in this report and other initiatives. We therefore recommend that the Metropolitan Toronto School Board be dissolved.

### Penetanguishene Protestant Separate School Board

The Penetanguishene board is the only Protestant separate school board in Ontario. Legal opinions differ as to whether the rationale for its formation still exists. We recommend that until legal differences are resolved the Penetanguishene Protestant Separate School Board retain its current boundaries. We also recommend that, if it is determined that the rationale for the Penetanguishene board no longer exists, it be amalgamated with the Simcoe County and Muskoka boards of education.

### Extension of Boundaries for Certain Northern Boards

Several northern Ontario school boards have requested recently that the Province extend their boundaries into what is now unorganized territory – that is, territory that has no municipal government structure. We are generally in favour of the extensions requested, but wish to explore the issue further and welcome comments from the public and stakeholders about the ramifications of extension.

### Extended Boards: from Elementary Only to Elementary-Secondary

Some school boards, usually Roman Catholic separate boards with very small student populations, are now responsible only for elementary education. When these boards are amalgamated into larger units, their responsibilities will be extended to include secondary education.

We recommend that these "extended" boards purchase services for their secondary students, or pursue other co-operative arrangements, rather than build new secondary schools. We further recommend that the Province make it clear that funding is not available for new capital projects where existing facilities are adequate to accommodate local students.



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